



Name of Listed Company: Yokogawa Electric Corporation

(URL: <https://www.yokogawa.com>) (Stock code: 6841, listed in TSE 1st section)

Name and Position of the Representative:

Hitoshi Nara, President and Chief Executive Officer

Name and Position of the Person in Charge:

Hirohiko Nakatani, Department Manager of Treasury & IR Department

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August 12, 2020

Notice Regarding the Consolidated Business Forecast and Dividend Forecast for the Year Ending March 31, 2021

Yokogawa Electric Corporation (the “Company”) is notifying you of the consolidated business forecast and dividend forecast for the year ending March 31, 2021, which were left undetermined in Consolidated Financial Results for the Year Ended March 31, 2020 (Japan GAAP). The details are as follows.

1. Business Forecast

The figures in the consolidated business forecast for the year ending March 31, 2021 (April 1, 2020–March 31, 2021)

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Basic Earnings per Share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previously announced forecast (A)	—	—	—	—	—
Revised forecast (B)	360,000 ~390,000	23,000 ~30,000	23,000 ~30,000	14,000 ~19,000	52.45 ~71.18
Difference (B-A)	—	—	—	—	—
Change (%)	—	—	—	—	—
(Reference) Results for fiscal year ended March 31, 2020	404,432	35,588	36,301	14,686	55.02

Reasons for the Announcement

The consolidated business forecast for the fiscal year ending March 31, 2021 was left undetermined because it was difficult to make a reasonable calculation due to the impact of the extremely uncertain business environment caused by COVID-19 on our business performance. However, although the external environment remains uncertain, the Company calculated the forecast based on information, etc. available at the present time and the following assumptions. Specifically, the Company is assuming that for the fiscal year ending March 31, 2021, the macro economy will bottom out in the first quarter and subsequently recover at a gradual pace while there is a balance between measures to prevent the spread of COVID-19 and efforts to resume economic activities, and that there are no prospects of a significant economic recovery until the end of the fiscal year.

The operating results forecast assumes a foreign exchange rate of 1 USD = 105 yen.

Because this consolidated business forecast was calculated based on the aforementioned possible scenarios using information, etc. available at the present time, the actual business performance may vary from this forecast due to a variety of factors arising in the future. The impact of the spread of COVID-19 and other factors on our business may vary significantly. If any changes arise that will impact the Group's business performance, the Company will revise the consolidated business forecast and promptly announce the revised forecast.

2. Dividend Forecast

Dividend Forecast for fiscal year ending March 31, 2021

	Dividends per Share				
	June 30	September 30	December 31	End of Period	Total
	Yen	Yen	Yen	Yen	Yen
Previous forecast	—	—	—	—	—
Revised forecast	—	17.00	—	17.00	34.00
(Reference) Results for fiscal year ended March 31, 2020	—	17.00	—	17.00	34.00

Reasons for the Announcement

The dividend forecast was originally left undetermined because the business forecast for the year ending March 31, 2021 was left undetermined. Now, after giving comprehensive consideration to the policy on appropriation of profit and financial position of the Company the dividend forecast has been determined as presented above based on the aforementioned business forecast. Please note that the dividend forecast was determined on the assumption that the aforementioned consolidated business forecast will be achieved, and the actual business performance may vary from that forecast due to a variety of factors arising in the future. If it becomes necessary to revise the consolidated business forecast, it may also be necessary to revise this dividend forecast.

* Policy on Appropriation of Profit

The distribution of earnings to shareholders is a top management priority for the Company. By achieving growth in earnings, the Company aims to steadily and continuously increase our dividend payments. Specifically, the Company strives to ensure a consolidated dividend payout ratio of more than 30% while giving overall consideration to ensuring investment capital for maximizing business results and mid- to long-term shareholder value and maintaining financial footing for supporting investment for growth. The Company also aims to maintain a stable dividend based on a DOE (dividend on equity) ratio, even when business results deteriorate due to temporary factors.